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DE RUEHLP #1085/01 1081900 ZNY CCCCC ZZH P 181900Z APR 07 FM AMEMBASSY LA PAZ TO RUEHC/SECSTATE WASHDC PRIORITY 3235 INFO RUEHAC/AMEMBASSY ASUNCION 6710 RUEHBO/AMEMBASSY BOGOTA 4038 RUEHBR/AMEMBASSY BRASILIA 7928 RUEHBU/AMEMBASSY BUENOS AIRES 5176 RUEHCV/AMEMBASSY CARACAS 2406 RUEHPE/AMEMBASSY LIMA 2529 RUEHMN/AMEMBASSY MONTEVIDEO 4550 RUEHQT/AMEMBASSY QUITO 5045 RUEHSG/AMEMBASSY SANTIAGO 9630 RUMIAAA/USCINCSO MIAMI FL RUEHUB/USINT HAVANA 0266 RHEHNSC/NSC WASHINGTON DC RHMFISS/HQ USSOUTHCOM MIAMI FL

## CONFIDENTIAL LA PAZ 001085

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E.O. 12958: DECL: 04/18/2017 TAGS: <u>PGOV</u> <u>PREL</u> <u>ECON</u> <u>BL</u>

SUBJECT: OPPOSITION PREFECTS SIGN AUTONOMY PACT

¶G. LA PAZ 54

Classified By: Ecopol Chief Andrew Erickson for reasons 1.4 (b) and (d)

Summary

11. (C) The opposition prefects of Beni, Cochabamba, Pando, Santa Cruz, and Tarija met on April 15 and all except Cochabamba signed a pact to defend departmental autonomy. The pact calls for respect for existing departmental borders, endorses moving the executive and legislative branches from La Paz to Sucre, demands direct elections for department executive and legislative offices, and requests that departments be able to raise their own funds. During the meeting, the prefects accused President Morales of paralyzing key infrastructure projects and directly disbursing Venezuelan assistance checks to municipalities (reftel A) to thwart both their regional development plans and their autonomy campaign. The prefect's meeting and the resulting pact were not unexpected, but did lay down, yet again, a clear marker for the Constituent Assembly (CA) that the eastern departments will reject any constitution that fails to include autonomy. End Summary.

Opposition Prefects Meet and Sign Autonomy Pact

12. (SBU) The opposition prefects of Beni, Cochabamba, Pando, Santa Cruz, and Tarija met on April 15 and all except Cochabamba Prefect Manfred Reyes Villa signed a pact to defend departmental autonomy. Reyes presumably did not sign because voters in his department voted "no" in the July 2006 autonomy referendum. Also, his last attempt to call for a new autonomy referendum in Cochabamba sparked January's violent protests where pro-GOB supporters tried to oust him (reftels B-G). The pact calls for respect for existing departmental

borders and intra-departmental units (provinces and cantons), endorses moving the executive and legislative branches from La Paz to Sucre, demands direct elections for department executive and legislative offices, and requests that departments have the right to raise their own funds.

GOB Blocks Prefects' Plans

- 13. (SBU) During the meeting, the prefects accused President Morales of paralyzing key infrastructure projects to thwart both their regional development plans and their primary objective of autonomy. Beni Prefect Ernesto Suarez noted the GOB has not progressed on an Andean Development Corporation financed USD 40 million road paving project. Tarija's Cossio stated that the GOB has hindered the construction of roads and a natural gas pipeline in his department. Responding to the criticism, Vice President Alvaro Garcia Linera (acting as interim president while Morales was in Venezuela) stated that Tarija, as Bolivia's richest department, should contribute more funds (up to seventy percent) to road construction. Cossio countered by stating that his prefecture was willing to invest more in roads, but that under current laws departments are legally barred from contributing funds to national road projects.
- 14. (SBU) The prefects also asserted that President Morales' direct disbursement of Venezuelan assistance checks to municipalities, circumventing the departmental governments, undercuts them politically (reftels A). Press reports indicate that Venezuela has committed up to USD 30 million for this program. According to the Minister of Interior, the GOB has distributed USD 6.7 million to 145 of Bolivia's 328 municipalities; USD 4 million has been authorized for 27 municipalities in Beni and Pando.

Comment

15. (C) The prefects' meeting and the resulting pact were not unexpected, but did lay down, yet again, a clear marker for the CA that the eastern departments will reject any new constitution that fails to include departmental autonomy. The pact also demonstrates the Morales' failure to build relationships with Bolivia's prefects, instead exacerbating the already wide gulf between them. End Comment. GOLDBERG